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Macroeconomic policy questions: trade and development

Indonesia*: draft resolution

International trade and development

The General Assembly,

Reaffirming its resolutions 50/95 and 50/98 of 20 December 1995, 51/167 of 16 December 1996 and 52/182 of 18 December 1997, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Welcoming the ministerial communiqué on market access, including developments since the Uruguay Round, implications, opportunities and challenges, in particular for the developing countries and the least developed among them, in the context of globalization and liberalization, adopted by the Economic and Social Council on 8 July 1998,[1]

Reaffirming the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa,[2] which provides an important framework for promoting a partnership for growth and development,

Taking note of the report of the Trade and Development Board on its forty-fifth session,[3]

Noting also that the second Ministerial Conference of the World Trade Organization was held at Geneva from 18 to 20 May 1998,

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* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] *Official Records of the General Assembly, Fifty-third Session, Supplement No. 3* (A/53/3), chap. IV, para. 5.

[2] *Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April–11 May 1996, Report and Annexes* (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[3] A/53/15 (Part IV).

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1. *Recognizes* the importance of the expansion of international trade as an engine of growth and development and, in this context, the need for expeditious and complete integration of developing countries into the international trading system in full cognizance of the opportunities and challenges of globalization and liberalization and taking into account the special needs of developing countries;

2. *Renews* the commitment to uphold and strengthen an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trade system, which contributes to the economic and social advancement of all countries and peoples by promoting the liberalization and expansion of trade, employment and stability and by providing a framework for the conduct of international trade relations; in this context, deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above the multilateral trade rules and regulations, including those agreed in the Uruguay Round of multilateral trade negotiations;

3. *Reaffirms* the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of development and related issues in areas of trade, finance, technology, investment and sustainable development;

4. *Requests* the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

5. *Notes with appreciation* the initiative of the Secretary-General of the United Nations Conference on Trade and Development to invite the executive secretaries of the United Nations regional commissions to participate in the discussions of the Trade and Development Board and encourages the continuation of such a practice in the future;

6. *Reiterates* the importance of continued trade liberalization in developed and developing countries, particularly in sectors of export interest to developing countries, through, *inter alia*:

(a) Substantial reductions in all tariffs, the rolling back of tariff peaks and the removal of tariff escalation, which still affect a notable range of products and sectors;

(b) The elimination of trade-distorting policies, protectionist practices and non-tariff barriers in international trade relations;

(c) Subjecting resort to anti-dumping duties, countervailing duties, phyto-sanitary and technical standards to increased multilateral surveillance, so that they respect and are consistent with multilateral rules and obligations and are not used for protectionist purposes;

(d) The improvement and renewal, by preference-giving countries, of their generalized system of preference schemes with the objective of integrating developing countries, especially the least developed countries, into the international trading system and of finding ways and means to ensure more effective utilization of generalized system of preference schemes; in this context, notes the concern among the beneficiaries that the enlargement of the scope of the generalized system of preferences, by linking eligibility to non-trade considerations, may detract value from its original principles, namely, non-discrimination, universality, burden-sharing and non-reciprocity;

7. *Stresses* that it is an ethical imperative for the international community to arrest and reverse the marginalization of the least developed countries through the promotion of their expeditious integration into the world economy by taking the fullest possible advantage

of trading opportunities arising from globalization and liberalization and recognizes that full implementation of the Programme for Action for the Least Developed Countries for the 1990s requires, as requested in the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998,[1] further progress towards duty-free imports from least developed countries, consolidation of international assistance to complement their capacity-building efforts and the provision of increased technical assistance to help strengthen their supply capacity;

8. *Stresses also* the urgent need to facilitate the integration of the African countries into the world economy and, in this context, welcomes the action-oriented agenda for the development of Africa contained in the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa,[4] and endorses the call contained in the ministerial communiqué for continued efforts to enhance market access for products of interest to African economies and for support for their efforts at diversification and building of supply capacity and, in this context, requests the United Nations Conference on Trade and Development to continue its contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s,[5] taking into account the agreed conclusions of the Trade and Development Board at its forty-fifth session;[6]

9. *Further stresses* the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, and to recognize that developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

10. *Reiterates* the importance of the effective application by all members of the World Trade Organization of all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations,[7] taking into account the specific interests of developing countries and the need for the effective implementation of the special provisions in the multilateral trade agreements and related ministerial decisions in favour of developing countries and, in this respect, reiterates the need for the full implementation of special and preferential treatment for developing countries, and urges Governments and concerned international organizations to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries;[7]

11. *Further reiterates* the importance of maintaining the momentum towards increased trade liberalization, particularly as regards products of interest to developing countries, and of giving it attention in the work leading up to the third Ministerial Conference of the World Trade Organization; further liberalization should be sufficiently broad-based to respond to the range of interests and concerns of all members of the organization, particularly the developing countries, within the framework of the organization; in this regard, invites the United Nations Conference on Trade and Development to provide analytical support and technical assistance to developing countries

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[4] A/52/871-S/1998/318.

[5] Resolution 46/151, annex II.

[6] A/53/15 (Part IV), chap. I, sect. E, agreed conclusions 454 (XLV).

[7] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

for their effective participation in multilateral trade negotiations and for formulating a positive agenda for future trade negotiations;

12. *Welcomes* the launching of the substantive preparatory process for the tenth session of the United Nations Conference on Trade and Development, to be held at Bangkok in 2000, by the Trade and Development Board at its forty-fifth session, with a view to the finalization of the agenda of the Conference by the Board at its nineteenth executive session, in December 1998, and considers that the tenth session of the United Nations Conference on Trade and Development will provide an important opportunity for the United Nations system and the international community to make a collective reflection on development;

13. *Emphasizes* the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for Governments members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession, in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development and the World Trade Organization to provide technical assistance, within their mandate, thereby contributing to the rapid and full integration of those countries into the multilateral trading system;

14. *Stresses* the need for improved and coordinated measures to address the effects of the financial crisis on the international trading system and the development prospects of developing countries, emphasizing that keeping the trading system open and maintaining continued growth in world trade are key elements in overcoming the crisis, and rejects the use of any protectionist measures; at a broader level, there is a need for greater coherence between the development objectives agreed to by the international community and the functioning of the international trading and financial system and in this context, calls for close cooperation between organizations of the United Nations system, including the Bretton Woods institutions and the World Trade Organization;

15. *Recognizes* the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, stresses the importance of those initiatives being in conformity with World Trade Organization rules, where applicable, and, bearing in mind the primacy of the multilateral trading system, affirms that regional trade agreements should be outward-oriented and supportive of the multilateral trading system;

16. *Reiterates* that, in line with Agenda 21[8] and the Rio Declaration on Environment and Development,[9] Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes, and in this context encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development;

17. *Strongly underlines* the need to provide technical assistance to developing countries for capacity-building in trade negotiations and for taking the fullest possible

[8] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3–14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8), resolution 1, annex II.

[9] Ibid., annex I.

advantage of the dispute settlement mechanism and in this regard emphasizes the importance of strengthening the capacity of the United Nations Conference on Trade and Development in carrying out analytical and technical cooperation activities in the areas of trade, finance, technology, investment and sustainable development, and welcomes its collaboration with relevant organizations of the United Nations system, including the Bretton Woods institutions, the World Trade Organization, the Bank for International Settlements and other relevant organizations in undertaking its work;

18. *Emphasizes* that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations and in this context underlines the need for the World Trade Organization to take into account the potential consequences of its rulings on developing countries, in particular the least developed countries and small island developing States;

19. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-fourth session on the implementation of the present resolution, developments in the multilateral trading system and the implementation of the ministerial communiqué on market access adopted by the Economic and Social Council on 8 July 1998.